

# Treasury Targets Iranian UAV Program, Steel Industry, and Automobile Companies in Response to Unprecedented Attack on Israel

April 18, 2024

## *New Industries Targeted Generate Billions of Dollars in Annual Revenue*

WASHINGTON — Today, in response to Iran’s unprecedented attack on Israel on April 13, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) is targeting 16 individuals and two entities enabling Iran’s UAV production, including engine types that power Iran’s Shahed variant UAVs, which were used in the April 13 attack. These actors work on behalf of Iran’s Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF), its UAV production arm, Kimia Part Sivan Company (KIPAS), and other Iranian manufacturers of UAVs and UAV engines. OFAC is also designating five companies in multiple jurisdictions providing component materials for steel production to Iran’s Khuzestan Steel Company (KSC), one of Iran’s largest steel producers, or purchasing KSC’s finished steel products. Iran’s metals sector generates the equivalent of several billion dollars in revenue annually, with the majority coming from steel exports.

OFAC is also sanctioning three subsidiaries of Iranian automaker Bahman Group, which have continued to materially support the IRGC and other entities designated pursuant to counterterrorism authorities, including Iran’s Ministry of Defense and Armed Forces Logistics (MODAFL). Bahman Group itself is being concurrently designated for owning these entities.

Concurrent with this action, the United Kingdom is imposing sanctions targeting several Iranian military organizations, individuals and entities involved in Iran’s UAV and ballistic missile industries.

“Today, in coordination with the United Kingdom and in consultation with partners and allies, we are taking swift and decisive action to respond to Iran’s unprecedented attack on Israel. We’re using Treasury’s economic tools to degrade and disrupt key aspects of Iran’s malign activity, including its UAV program and the revenue the regime generates to support its terrorism,” said Secretary of the Treasury Janet L. Yellen. “We will continue to deploy our sanctions authority to counter Iran with further actions in the days and weeks ahead. Over

the last three years, we have targeted over 600 individuals and entities connected to Iran's terrorist activity, its human rights abuses, and its financing of Hamas, the Houthis, Hizballah, and Iraqi militia groups. We have also vigorously enforced our sanctions, including by levying historic fines and exposing sanctions evasion schemes and networks. Our actions make it harder and costlier at every turn for Iran to continue its destabilizing behavior."

Today's actions are being taken pursuant to: Executive Order (E.O.) 13382, a counterproliferation authority; E.O.13871, which imposes sanctions with respect to the iron, steel, aluminum, and copper sectors of Iran; and E.O. 13224, as amended, a counterterrorism authority.

The Department of Commerce's Bureau of Industry and Security (BIS) is also imposing new controls to restrict Iran's access to technologies, such as basic commercial grade microelectronics. These controls also apply to items manufactured outside the U.S. that are produced using U.S. technology. This is in addition to the comprehensive export restrictions already imposed on Iran, including controls targeting Iran's involvement in supplying Unmanned Aerial Vehicles (UAVs) in support of Russia's illegal war in Ukraine.

## UAV ENGINE PRODUCTION AND PROCUREMENT

OFAC is targeting executives of Iran-based UAV engine manufacturer, Oje Parvaz Mado Nafar Company (Mado Company). Iran-based **Mohammad Sadegh Abutalebi (Mohammad Sadegh)** is the chief executive officer (CEO) and member of the board of directors of Mado Company. Iran-based **Ali Asghar Abutalebi (Ali Asghar)** is a member of the board of directors of Mado Company. Mado Company produces, through reverse-engineering, the UAV engines used in Iran's Shahed-131 and Shahed-136 UAVs, which Iran employed in its brutal UAV and missile attack targeted at major civilian population centers in Israel. Mado Company was designated pursuant to E.O. 13382 on October 29, 2021 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, the IRGC.

Mohammad Sadegh and Ali Asghar are being designated pursuant to E.O. 13382 for acting or purporting to act for or on behalf of, directly or indirectly, Mado Company.

Iran-based **Aseman Pishraneh Co. Ltd (Aseman Pishraneh)** services the small aircraft engine models used in several types of Iranian UAVs, including the Shahed-129 and Mohajer-6. Aseman Pishraneh is majority-owned by Paravar Pars Company (Paravar Pars) and provides Paravar Pars engines for Iranian gyrocopters. In addition, Aseman Pishraneh and Paravar Pars

have overlapping leadership. Iran-based **Ali Habibi Najafi (Habibi)** is the managing director of Aseman Pishraneh. Paravar Pars was designated pursuant to E.O. 13382 on September 8, 2022 for having provided, or attempted to provide, financial, material, technological or other support for, or goods or services in support of, the Islamic Revolutionary Guard Corps Aerospace Force.

Aseman Pishraneh is being designated pursuant to E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, Paravar Pars. Habibi is being designated pursuant to E.O. 13382 for being owned or controlled by, or acting or purporting to act for or on behalf of, directly or indirectly, Aseman Pishraneh.

## **IRGC-QF UAV PROLIFERATION**

The IRGC-QF maintains a division known as Department 8000 tasked with developing UAVs and providing UAVs and UAV-related training to proxy forces such as the Houthis in Yemen and Iranian-aligned militia groups in Iraq and Syria. Iranian-manufactured UAVs have been provided to and utilized by Iran-backed militias across the Middle East, resulting in attacks against U.S. service members, allied forces, maritime vessels in the Red Sea. The IRGC-QF was designated pursuant to E.O. 13224 on October 25, 2007 for providing support to multiple terrorist groups.

KIPAS is an Iran-based firm that has worked with the IRGC-QF to improve the IRGC-QF's UAV program. KIPAS has helped procure UAV components, conducted UAV testing, and provided technical assistance to the IRGC-QF. KIPAS was designated pursuant to E.O. 13224, as amended, on October 29, 2021 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of the IRGC-QF.

**Abbas Sartaji (Sartaji)**, **Mehdi Ghaffari Naghneh (Naghneh)**, **Hasan Arambunezhad (Arambunezhad)**, **Hadi Jamshidi Zavaraki (Zavaraki)**, **Reza Nahar Dani (Nahar Dani)**, and **Abolfazl Ramazanzadeh Moshkani (Moshkani)** are all senior, Iran-based members of the IRGC-QF and are active in UAV testing, development, and supply, especially to groups in Iraq, Yemen, and Syria.

**Ali Reza Nurian Ramsheh (Ramsheh)**, **Mohsen Sayyadi Turanlu (Turanlu)**, and Arambunezhad are all senior, Iran-based executives of KIPAS. In addition to their work with KIPAS, Ramsheh, Turanlu, and Arambunezhad are also directly involved with IRGC-QF UAV procurement and development efforts.

**Mohammad Sadegh Fatehi (Fatehi)**, **Hamid Hajji Ebrahimi Forushani (Forushani)**, and **Ali Asghar Al-Taf (Al-Taf)** are all Iran-based KIPAS employees who have personally worked with IRGC-QF officials on the development and provision of UAVs. Iran-based **Esma'il Azizkhani (Azizkhani)** is a KIPAS employee who has worked to procure critical parts for UAVs and taken part in UAV production and testing on behalf of KIPAS.

Sartaji, Naghneh, Zavaraki, Nahar Dani, and Moshkani are being designated pursuant to E.O. 13224, as amended, for having acted or purported to act for or on behalf of, directly or indirectly, the IRGC-QF. Ramsheh, Turanlu, Fatehi, Forushani, Al-Taf, and Azizkhani are being designated pursuant to E.O. 13224, as amended, for having acted or purported to act for or on behalf of, directly or indirectly, KIPAS. Arambunezhad is being designated pursuant to E.O. 13224, as amended, for having acted or purported to act for or on behalf of, directly or indirectly, the IRGC-QF and KIPAS.

**Fateh Aseman Sharjf Company (FASC)** works closely with the IRGC, specifically the IRGC-QF. Iran-based **Majid Dehghan (Dehghan)** is the co-founder, CEO, and managing director of FASC. FASC is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the IRGC. Dehghan is being designated pursuant to E.O. 13224, as amended, for having acted or purported to act for or on behalf of, directly or indirectly, FASC.

## **KHOUZESTAN STEEL COMPANY CUSTOMERS AND SUPPLIERS**

KSC is one of Iran's largest steel producers, including its top producer of steel bars. KSC's production and sale of steel brings in billions of dollars of revenue for the Government of Iran annually. KSC was designated pursuant to E.O. 13871 on January 10, 2020 for operating in the iron, steel, aluminum, or copper sectors of Iran.

**PSI DMCC**, based in Dubai, is an affiliate of KSC, which both helps to source parts and materials needed for steel production from foreign suppliers on behalf of KSC, and also facilitates steel exports on behalf of KSC. PSI DMCC has helped KSC source the equivalent of hundreds of millions of dollars' worth of parts used in the production process as well as facilitating the export of steel products from KSC to overseas buyers.

KSC has also used companies registered in Europe to source parts and facilitate exports.

**Kara Industrial Trading GmbH** has purchased several tens of millions of dollars' worth of steel from KSC, while also selling KSC the equivalent in raw materials to KSC for use in steel

production. **Good Run Limited** has sold critical components including electrodes to KSC for use in steel production. Electrodes are the primary heating element in six electric arc furnaces used by KSC for the steelmaking process.

**Magellanic Phoenix Marine and Trading Limited**, based in Hong Kong, has purchased several tens of millions of dollars' worth of steel products, including steel slab, from KSC since 2022.

Between 2022 and 2023, Türkiye-based **HSF Dis Ticaret Limited Sirketi** has purchased several tens of millions of dollars' worth of steel products from KSC.

PSI DMCC, Kara Industrial Trading GmbH, Good Run Limited, Magellanic Phoenix Marine and Trading Limited, and HSF Dis Ticaret Limited Sirketi are being designated pursuant to E.O. 13871 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or serves in support of, KSC.

## **BAHMAN GROUP SUBSIDIARIES**

Bahman Group was previously designated pursuant to E.O. 13224 for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the IRGC. Bahman Group subsidiary **Bahman Diesel Co.** produces heavy trucks and other work vehicles, including for Iran's armed forces. Bahman Diesel Co.-produced vehicles have been utilized in the IRGC's military operations, including those involving UAVs and missiles.

**Iran Docharkh Co.**, a wholly owned subsidiary of Bahman Group, sells millions of dollars' worth of motorcycles annually to the Armed Forces Personnel Cooperative Organization (ETKA), an entity owned by, and subordinate to, MODAFL. ETKA, a social welfare organization for those associated with the Iranian military, has ties to Iran's missile program and the IRGC.

**Iran Chassis Manufacturing Co.**, another wholly owned subsidiary of Bahman Group, has purchased tens of millions of dollars' worth of goods from Esfahan's Mobarakeh Steel Company, Iran's largest steel producer. Mobarakeh Steel Company is used as a revenue stream for Bonyad Taavon Basij's economic conglomerate. Mobarakeh Steel Company was designated pursuant to E.O. 13224 on October 16, 2018 for assisting, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, Mehr Eqtesad Iranian Investment Company, an entity with close ties to the Basij Resistance Force and its Bonyad Taavon Basij. The Basij was concurrently designated

pursuant to E.O. 13224 for being owned or controlled by the IRGC and for assisting, sponsoring, or providing financial, material, or technological support for, or financial or other services to or in support of, the IRGC-QF.

Bahman Diesel is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the IRGC. Iran Docharkh Co. is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or good or services to or in support of, MODAFL. Iran Chassis Manufacturing Co. is being designated pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or good or services to or in support of, Mobarakeh Steel Company. Bahman Group is being designated pursuant to E.O. 13224, as amended, for owning or controlling, directly or indirectly, Bahman Diesel Co., Iran Docharkh Co., and Iran Chassis Manufacturing Co. Bahman Group is being concurrently delisted for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, the IRGC.

## **SANCTIONS IMPLICATIONS**

As a result of today's action, all property and interests in property of the designated persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons.

In addition, financial institutions and other persons that engage in certain transactions or activities with the sanctioned entities and individuals may expose themselves to sanctions or be subject to an enforcement action. The prohibitions include the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any designated person, or the receipt of any contribution or provision of funds, goods, or services from any such person.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the SDN List, but also from its willingness to remove persons from the

SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to [OFAC's Frequently Asked Question 897 here](#). For detailed information on the process to submit a request for [removal from an OFAC sanctions list, please click here](#).

[Click here for more information on the individuals and entities designated today.](#)

###